- this would have been faxed out as opposed to afterwards?
- 2 A Yes.
- 3 Q Taking that into account, can you recall whether
- 4 or not Mr. Nourain ever telephoned you after he received
- 5 what is on Tab 7, Exhibit 58, to make corrections or to make
- 6 comments about it?
- 7 A I don't know.
- 8 Q I'd like you to look now at TW/CV Exhibit 61 which
- 9 is Tab 10 in your book. And look at the entry for 4/20/93
- and there seems to be a few different things listed there
- 11 that happened or that you performed on that day. One was a
- letter to I guess Mr. McKinnon. Also, you drafted
- certificates of construction and you're prepared
- 14 modifications applications, correct?
- 15 A Correct.
- 16 Q Would that, would the order listed here
- 17 necessarily mean that was the order those tasks were
- 18 performed in?
- 19 A Not necessarily.
- 20 Q Now, prior, at the time -- strike that. Do you
- 21 know if Mr. Nourain had any understanding of STAs prior to
- the time you sent out your April 20th, 1993 letter?
- 23 A I'm not aware that he did or did not.
- Q Can you recall if you had had any discussions with
- 25 Mr. Nourain prior to April 20th, 1993 about STAs?

- 1 A I don't know specifically. I think I recall from
- the deposition that we saw some entries about discussions,
- 3 but I'm not sure if they were with Behrooz or not.
- 4 Q Can you recall if he ever asked you to file STAs
- 5 prior to April 20th, 1993?
- A No, I don't recall that. Obviously, there were
- 7 conversations about how they could construct and operate
- 8 facilities that hadn't yet been licensed and there was
- 9 discussion of the STA procedure.
- 10 Q In those discussions, did it appear to you that
- 11 was the first Mr. Nourain had learned of the existence of
- 12 STAs or the possibility of STAs?
- 13 A I don't know whether that's true or not.
- Q All right. I'd like you to go to TW/CV Exhibit 3
- which is the one inventory being discussed just a moment ago
- 16 and turn to page 19.
- 17 A I'm afraid I closed it, I'm sorry, I'm sorry,
- 18 page what?
- 19 Q Page 19. And there was just a brief discussion
- about the path handwritten down at the bottom 333 East 55th
- 21 Street.
- 22 A Yes.
- 23 Q Now, this inventory was prepared on or about
- 24 April 6th, 1993, correct?
 - A As it was originally prepared, without all the

- 1 handwritten marks on it.
- 2 Q So then my question is the fact this 333 East 55th
- is handwritten there, does that mean that the discussion
- 4 about the path for that address occurred after April 6th,
- 5 1993?
- 6 A Yes.
- 7 MR. WEBER: Thank you. That's all the questions
- 8 the Bureau has.
- 9 JUDGE SIPPEL: Questions from Liberty.
- 10 MR. SPITZER: No, Your Honor.
- JUDGE SIPPEL: I'm just looking through some of my
- notes here, but I don't, I think that the areas have been
- thoroughly covered with your testimony this morning. I have
- 14 no questions.
- 15 THE WITNESS: Okay.
- 16 JUDGE SIPPEL: I do want to thank you for
- 17 appearing. I know you came in voluntarily without the need
- 18 for subpoena and you know you're not a party to this case.
- 19 That's very much appreciated. And have a safe trip back.
- THE WITNESS: Okay. Thanks.
- JUDGE SIPPEL: It's 12:30. Let's off the record
- 22 for just a minute.
- 23 (Whereupon, a brief recess was taken.)
- 24 JUDGE SIPPEL: We're back on the record. We're
 - going to reconvene at 1:30 which gives us an hour for lunch

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and for Mr. Barr to prepare. Mr. Barr will not be here,
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- 2 however, is not asked to come to the Courtroom until quarter
- of 2:00 so that Mr. Beckner can go over some preliminary
- 4 matters at that time. And as I promised before, just wait
- one minute, Ms. Richter, I will get you a copy of your
- 6 deposition that I have. Having said all that, then we're in
- 7 recess. Thank you, very much.
- 8 (Whereupon a lunch break was taken from 12:32 p.m.
- 9 to 1:40 p.m.)
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	1	<u>AFTERNOON SESSION</u>
_	2	[1:40 p.m.]
	3	JUDGE SIPPEL: Good afternoon. Please be seated.
	4	On the record. You had some preliminary matters,
	5	Mr. Beckner.
	6	MR. BECKNER: Yes, Your Honor. We have marked and
	7	submitted as an exhibit the transcript of Bruce McKinnon's
	8	deposition which is Tab 2 in the book. It would be TW/CV
	9	Exhibit 53. And as I think I indicated to you earlier, we'd
	10	like to go ahead and have that received in evidence. We
	11	didn't feel that Mr. McKinnon's testimony was significant
	12	enough to justify bringing him all the way down here from
	13	Boston to testify in person. On the other hand, he's the
	14	person to whom Ms. Richter's April 20th letter is addressed.
	15	Now, he says he never saw it.
	16	(Document above referred to
	17	was marked for identification
	18	as TW/CV Exhibit 53.)
	19	JUDGE SIPPEL: I read his deposition.
	20	MR. BECKNER: So you know about that. I think
	21	that that ought to be in the record just to in effect close
	22	up that particular loose end. And as I say, we elected not
_	23	to come down here to testify in person. On that basis, we'd
	24	like to just move the whole transcript to be in evidence.
	25	JUDGE SIPPEL: Okay. This has been marked then as
		Heritage Reporting Corporation (202) 628-4888

your exhibit TW/CV Exhibit 53. It's already been marked for 1 2 identification. Is there any objection to receiving it? 3 MR. SPITZER: No, we have no objection, Your Honor. We obviously may disagree with Mr. Beckner's 4 conclusions he'll draw from it, but we have absolutely no 5 6 problem --MR. BECKNER: I haven't even said what conclusions 7 there are. 8 JUDGE SIPPEL: Well, it's a -- under the more 9 liberal rules of the APA, I'll receive it. But it obviously 10 doesn't have the credibility as, it's not going to have the 11 strength as would his direct testimony. Although I want to 12 1.3 say very quickly I appreciate your not asking him to come in 14 or asking me to require him to come in for the testimony that's in that deposition. So having said those things, I 15 16 am receiving into evidence the McKinnon deposition which is TW/CV 53. That's now in evidence. Very well. 17 18 (Document previously marked for identification as TW/CV 19 Exhibit 53 was received in 20 evidence.) 21 22 MR. BECKNER: Now, Your Honor --JUDGE SIPPEL: Your next item? 23 24 MR. BECKNER: Excuse me? JUDGE SIPPEL: I say your next item. 25

- 1 MR. BECKNER: Oh, yes. The other item, while we
- 2 haven't -- Exhibit 14, Tab 14, which is Exhibit 65 we'll
- deal with that when Mr. Price is on the stand tomorrow.
- 4 MR. SPITZER: I'm not sure, this is? The
- 5 February 24th?
- 6 MR. BECKNER: Right.
- 7 MR. SPITZER: '95.
- 8 MR. BECKNER: Yes.
- 9 JUDGE SIPPEL: So that the record is clear on
- 10 this, you're referring to a document which the Reporter
- 11 marked this morning as your proposed exhibit number 65 which
- 12 is a letter from Mr. Lehmkuhl to Mr. Price dated
- 13 February 24, 1995. That's correct?
- 14 MR. BECKNER: That's correct, Your Honor.
- 15 JUDGE SIPPEL: That's what it is. Okay. And
- we'll take that up with Mr. Price tomorrow.
- 17 MR. BECKNER: Okay. Now, the other item is
- 18 Exhibit 13 which is a summary exhibit under Rule 1006 of the
- 19 rules of evidence and which as the exhibit says on its face
- 20 is based on a document that's already in evidence which is
- 21 the installation progress reports.
- It's information taken directly from that exhibit
- and it's based on copies of FCC applications filed by
- 24 Liberty and the dates that are on those applications. And
- 25 we have made available to Liberty that underlying

- information. Although I assume they already have that.
- 2 Technically speaking, if we were going to be very
- formal, we would offer that exhibit through the witness who
- 4 put it together which would be a legal assistant from my
- office and she would simply testify that she took the dates
- off of the installation progress report for these addresses
- 7 and took the dates off of the FCC applications. I can do
- 8 that. I was hoping that we could avoid that kind of
- 9 mechanical process in terms of laying the foundation for the
- 10 admission of the document. And I can certainly do that
- 11 tomorrow. I can bring her in tomorrow just to testify as to
- 12 how this was prepared. I think it's evident how it was
- 13 prepared.
 - JUDGE SIPPEL: Well, I'd be more interested,
 - what's the proffer of the relevance here?
 - MR. BECKNER: All right. The relevance of the
 - document is that it shows a number of instances where during
 - the period surrounding the time of -- that Ms. Richter
 - 19 testified about, that is the first half of 1993, a number of
 - instances where according to Liberty's business records,
 - 21 they commenced operation of a microwave path to an address
 - in the same month or before the month in which the
 - 23 application for that address was filed.
- 24 And Ms. Richter in her deposition, I mean, I'm
- sorry, in her testimony here this morning went through a

- 1 number of those addresses and indicated in response to my
- 2 question that based on her inventory that applications for
- 3 those addresses -- for new paths for those addresses were
- 4 added.
- 5 The relevance is two-fold. Number one, the larger
- 6 question raised by Ms. Richter's letter is whether or not
- 7 there was some sort of unauthorized activation in 1993,
- 8 either that she did or didn't know about that might have
- 9 been the result of Mr. Nourain misunderstandings of the
- 10 rules that she testified about.
- 11 And number two, as to whether or not following the
- 12 information about the rules that Ms. Richter testified that
- she conveyed to Mr. Nourain orally and in writing in the
- 14 April 20th letter whether or not there was any change in
- response to that information by Mr. Nourain or by Liberty.
- Thirdly, the question is if you have, I'm sure
- 17 that Liberty is going to say that if there was unauthorized
- 18 operation, they didn't know about it. Or it was
- 19 unintentional as they have said with respect to 1994 and
- 20 '95. That claim is called into question the more instances
- 21 you have of an unauthorized operation.
- In other words, you might make a mistake once.
- You might make a mistake twice. It's kind of hard to
- imagine you'd make a mistake 22 times in the space of the
- one year period. We think it's admissible to show a pattern

- of behavior in 1992 and 1993 which in fact as we already
- 2 know was repeated in 1994, 1995. That pattern being
- 3 commencement of operations of microwave facilities before
- 4 authorization was received to do so.
- 5 JUDGE SIPPEL: I take it from your description
- 6 that all of these incidents, these 21 incidents, are outside
- 7 the timeframe of the hearing designation.
- 8 MR. BECKNER: That's correct, Your Honor. We
- 9 stated right up front that the period covered is between
- July 1, '92 through June 30, '93. Now, I want to add that
- we are unable to determine when some of these applications
- were actually granted. So that this exhibit refers only to
- instances where as you can see an installation date
- 14 according to Liberty's records is either before or during
- the same month when an application was filed. There may be
- 16 other instances where an installation date was -- after an
- 17 application was filed, but before it was granted. And if
- there is such an instance, it's not on these pages.
- 19 JUDGE SIPPEL: What's the Bureau's position on
- 20 this, Mr. Weber?
- 21 MR. WEBER: Well, as you know, Your Honor, the
- 22 Bureau has made clear in its comments relating to this added
- issue of this new round of testimony that we don't believe
- 24 it's relevant whether or not there were earlier premature
- 25 activations that's not relevant to the designated issues.

- 1 The designated issues are solely to the pending
- 2 applications. And any paths listed here are now fully
- 3 licensed paths and we're well beyond the one year statute of
- 4 limitations if indeed there was a violation to impose any
- 5 type of forfeiture.
- As for this document itself, the evidentiary body
- 7 I think would be obviously low because it's not really a
- 8 document prepared by Liberty or anything like that. It's
- 9 prepared by Time Warner merely as more of a -- something
- 10 that can be used for review.
- And therefore, this could be used maybe to see if
- we can refresh any witnesses's recollection. I think it
- 13 could stand some use. But beyond that, I don't see its use.
- 14 The Bureau does maintain the only issue here before this new
- round of testimony is to find out what Liberty knew prior to
- 16 April of 1995.
- 17 And if indeed there were premature activations
- prior to April, 1995, just the proving of that premature
- 19 activation doesn't show anything about the knowledge of any
- of these witnesses or anything that they've testified to
- 21 previously. And therefore, I don't see how it really fits
- 22 into this round.
- 23 If it can be used to refresh their recollection,
- 24 if you can put this before Mr. Nourain and Mr. Price, and
- 25 they first testify, oh, I didn't know of any earlier

- 1 premature activations, you show them a document showing if
- there were any others and ask them if it refreshes their
- 3 recollection and you could see if it does do that.
- 4 The Bureau does take the stance that this round of
- 5 testimony today is really just to find out whether or not
- 6 witnesses knew prior to April of 1995 of any premature
- 7 activations.
- JUDGE SIPPEL: Well, isn't the, isn't there also
- 9 an issue as to whether they knew or should have known?
- MR. WEBER: Well, I'm not real sure the issue does
- go so far as to whether or not they should have known. That
- certainly is I think in part the reason the Bureau is
- requesting a rather substantial forfeiture against Liberty
- saying that they, even up until April, 1995, the fact that
- 15 the 14 designated paths were operated prematurely. That is
- 16 something Liberty certainly should have known they were
- 17 doing.
- And the fact they didn't know up until April, 1995
- 19 they should be subjected to a rather substantial forfeiture.
- 20 And I'm not real sure how showing that, well, maybe if they
- 21 indeed were doing it in 1993, I'm not real sure how that
- weighs on whether or not they should have known in 1995.
- JUDGE SIPPEL: I'm not going to argue the point
- 24 with you, but what about the -- this issue that we're back
- on today, tomorrow, goes to a state of mind of the officials

- at Liberty during a certain timeframe? This is before that
- timeframe, this exhibit would cover a period before that
- 3 timeframe. But nonetheless, if it goes to a state of mind
- 4 in terms of -- or a state of condition. I mean, it might
- 5 not. A state of condition is as equally relevant to the
- 6 occurrence of the event as a state of mind. State of mind
- 7 is much more important. But nonetheless, you have a state
- 8 of condition being demonstrated here that you starting back
- 9 in 1992 has been a series of preactivations. Now, at what
- 10 point in time knowledge kicks in, of course, that's what
- this is all about. But it's, before I go any further with
- this, and, of course, I'm the to hear from Mr. Spitzer and
- 13 Mr. Begleiter. But I was just wondering what the, I'd like
- 14 to hear what the Bureau's position would be with respect to
- 15 that.
- MR. WEBER: Well, the Bureau has a concern of this
- 17 case ballooning into a complete, I quess, inventory or
- 18 evaluation of every single one of Liberty's licenses. They,
- 19 I believe, have a couple of hundred licenses. And we really
- want to, I mean, this case is already expanded beyond I
- 21 think what the Bureau initially expected it to grow beyond.
- 22 JUDGE SIPPEL: Who's fault is that?
- 23 MR. WEBER: Well, I mean, I don't know if it's
- 24 anybody's fault. It's just that evidence kept coming out
- 25 that there may be additional problems. But I think the

- 1 Bureau wants to keep or at least try to see to it that the
- 2 case keeps sight of what the real issue is and it's a real
- 3 issue of the designated applications and what should be the
- 4 penalty for the fact that there was illegal operation of
- 5 those designated applications.
- And the fact that this is concerning applications
- 7 now or licenses now that are fully granted and were beyond
- 8 the statute of limitations period, right now, Your Honor,
- 9 you have no authority to act upon any of these applications
- or any of these licenses. My reading of the hearing
- designation order doesn't give you authority to revoke any
- 12 other licenses.
- 13 JUDGE SIPPEL: But that's not what my question is
- 14 about at all. This is not adding issues or going into
- licenses that have not been specified in the designation
- order. It's, as I said before, it's two things. It's a
- 17 state of mind and a state of condition.
- 18 The state of condition that the company has been
- 19 admittedly right from the time of the designation or this
- hearing commenced has been admittedly what one wants to say
- the least. Isn't it relevant to know what the full, well,
- 22 within certain limits of course, to know what the full
- 23 condition of that situation was? We're not talking about
- 24 going in now and proving each of these situations and going
- 25 into why it happened. That's a different concern about this

- 1 type of evidence.
- MR. WEBER: I think what you're saying now is
- 3 consistent with the position the Bureau's been maintaining
- 4 and that's anything that can show knowledge of the witness's
- 5 prior to April 1995 we indeed believe is highly relevant.
- 6 and to the extent that this can be used, this meaning
- 7 Exhibit 64, can be used to demonstrate any type of knowledge
- 8 prior to April '95 or even state of condition as you're
- 9 wording it, we believe it could be useful.
- 10 But like you just said, we do want to avoid a
- 11 complete investigation into every single one of the 21, 22
- 12 paths listed here as well as any other paths branded or
- applied for during this same time period. But to question
- 14 witnesses on the state of condition during that, using this
- document to see if that in any way reflects their knowledge
- of what was going on in April of 1993, we would believe that
- 17 the Bureau would have to maintain it's relevant.
- 18 JUDGE SIPPEL: All right. Well, in terms of
- 19 allowing this case to expand into questions like this, I'm
- 20 going to pick up on that comment and remind the Bureau as
- 21 well as everybody else here, you know, there's a very
- 22 comprehensive internal audit report that might have saved a
- 23 heck of a lot of time. So I don't feel in any way that the
- 24 Commission's work is not being done by considering evidence
- 25 such as this. Now, what we do with it, I still have to hear

- 1 from Mr. Spitzer.
- MR. WEBER: You do also know the Bureau's position
- 3 on the audit report.
- 4 JUDGE SIPPEL: Yes, I do.
- 5 MR. WEBER: It is different than Liberty's on
- 6 that.
- JUDGE SIPPEL: I understand the Bureau's position,
- 8 the Commission's position, Time-Warner's position and my
- 9 position.
- MR. BECKNER: Your Honor, can I just respond to
- one thing that Mr. Weber said briefly? And then Mr. Spitzer
- will then have the benefit of responding to everything that
- 13 I have said.
 - 14 JUDGE SIPPEL: Is that all right, Mr. Spitzer?
 - 15 MR. SPITZER: I'll cede the floor.
 - 16 JUDGE SIPPEL: He wants to see the table set.
 - MR. BECKNER: There's one point that I failed to
 - make that I think addresses the question that you and
 - 19 Mr. Weber were discussing and that's why I asked to
 - 20 interrupt.
 - Liberty said in its surreply which is Exhibit 18
 - 22 already admitted, and if you remember there was a lot of
 - 23 questioning about this I think of Mr. Barr, including some
 - from the presiding Judge. It said it has been Liberty's
 - 25 pattern and practice to await a grant of either a pending

- application for request for STA prior to making a microwave
- 2 path operational. Now, the designated issues in the HDO
- 3 include the truthfulness of statements made to the
- 4 Commission in support of these applications of which this
- 5 obviously is one.
- 6 Now, at the time of the hearing my recollection is
- 7 that there was some questions from the presiding Judge and
- 8 Mr. Barr as to whether or not this statement was intended to
- 9 exclude the instances that were lifted in the appendix to
- the HDO of premature operation? And I can't really remember
- 11 how it came out. Quite frankly, I always read this
- 12 statement as intending to exclude those instances of
- unlicensed operation. But I'm not sure that other people,
- in other words, I read this statement as saying before we
- 15 started making these mistakes in the middle of 1994, we
- 16 always awaited a grant of an application or an STA before we
- made a microwave path operation.
- 18 Regardless of how you interpret it, whether you
- interpret it that way or you interpret it as an unqualified
- statement, Exhibit 64 that I have proffered to the
- 21 proceeding is a contradiction of that statement because it
- 22 shows instances of prior operation.
- Now, whether or not Liberty knew about them is a
- 24 separate question. But the fact is that the statement I
- just read in the surreply is not correct. And it's not

- 1 correct because of what's in Exhibit 64. I'm not suggesting
- that this proceeding should revoke any of these licenses or
- 3 whatever. That's clearly beyond the scope of the
- 4 proceeding. But what's within the scope of the proceeding
- is whether or not in support of the caption applications,
- 6 Liberty told the Commission the truth. And Liberty told the
- 7 Commission it's been our practice to await the grant before
- 8 we turn it on. And what I'm showing here in this exhibit is
- 9 that in fact they didn't await a grant in 22 instances or 21
- instances, during the 12 month period beginning July '92 and
- 11 ending July '93.
- JUDGE SIPPEL: Mr. Spitzer.
- MR. SPITZER: My turn? Just briefly, Your Honor.
- 14 With respect to the audit, obviously the argument was held
- 15 before the D.C. Circuit and they have continued in effect
- 16 the stay of the dissemination of that report because of the
- 17 privilege issues and other issues raised. So obviously,
- that is still status quo and we understand everybody's
- 19 position. That is that the D.C. Circuit has continued its
- 20 stay.
- 21 As a friend of mine loves to say, everything has
- 22 been said but everything hasn't been said by me today. So
- 23 I'll start over again. But I do feel as though we're going
- 24 around the block over and over on this issue. Your most
- 25 recent ruling said specifically in view of that limited time

- 1 period for factual inquiry, there has not been an adequate
- 2 showing of the decisional significance of a 1993 activation.
- This issue has crept up over and over again.
- 4 Mr. Beckner himself in this submissions to the Court
- 5 specifically stated he was not going to undertake an audit
- of prior activation because it was not relevant.
- Now, the reasons for the irrelevance of this data
- 8 as summarized in this document I think has been very well
- 9 stated by Mr. Weber. The issue is knowledge. The issue is
- not did this happen? Did it not happen? And we are by no
- 11 means conceding that any of the dates in here are correct
- and we would have to go through it thoroughly to see what
- 13 these dates mean.
- Because unfortunately, I think Mr. Beckner
- 15 misstated this a bit. We only got wind of this exhibit late
- 16 yesterday afternoon and then he faxed it to us. We didn't
- 17 get a hard copy of it. We have not had any opportunity to
- 18 look at these dates.
- But the only issue before the Court, and this was
- 20 the reason that you reopened this expedited hearing, was to
- 21 determine the knowledge of the witnesses. Did they know as
- of the date of the Richter letter or shortly thereafter of
- 23 the premature service? Did they know?
- Mr. Beckner, and we did not object, asked Jennifer
- 25 Richter were you told by Behrooz that he had activated this

- 1 path or that path? And he referred specifically to many of
- 2 the paths that are in this chart. Fair question. No
- 3 objection from us. If he wants to ask her did you know,
- 4 that is the issue before the Court.
- But what is not before the Court is as a matter of
- fact was that path prematurely activated. And it would be
- 7 wrong to admit into evidence a document whose accuracy is
- 8 highly suspect in my mind. But I hope we don't need to get
- 9 into that.
- 10 A document which would purport to represent the
- dates of premature activation as though somehow the facts of
- 12 that premature activation was relevant to the issue before
- 13 the Court. And again, we think that the Court has addressed
- 14 this issue repeatedly throughout the course of this
- 15 litigation.
- JUDGE SIPPEL: Okay. Do you want any last word on
- 17 this? I mean, I think he said it pretty well. I will
- 18 permit, well, I'm not going to -- no. I'm going to, you're
- 19 moving at this point to take it to receive this into
- 20 evidence. It's marked as an Exhibit 64 for identification.
- 21 It can go up on a proffer. But I'm going to reject it
- 22 basically as a matter of timeliness.
- 23 And now I'm also hearing that there is a question
- 24 with respect to its accuracy. And I'm not going to allow
- 25 this hearing to expand into some related issues of accuracy.

	1	And in fairness to Liberty really the witnesses,
	2	Mr. Nourain particularly, should be in a position to look at
~	3	each of these, each of these delinquent so-called items and
	4	attempt to reconstruct. Maybe he has some explanation as to
	5	one, two or three of them.
	6	It's going to expand into a collateral issue or
	7	issues that I'm just not despite the misgivings that I
	8	indicated earlier, I just can't permit the case to be
	9	expanded at this point. And I can't take your proffer
	10	shortcut I think without depriving Liberty of some very
	11	significant rights in this.
	12	However, I do feel that it's, I do think that this
	13	is relevant evidence.
	14	(Document previously marked
	15	for identification as TW/CV
	16	Exhibit 64 was rejected.)
	17	MR. BECKNER: I beg your pardon, sir?
	18	JUDGE SIPPEL: I say I believe, I consider it to
	19	be relevant evidence on the issue of, on the issue of
	20	knowledge, of knowledge, which is what this is all about.
	21	It's just that it's coming in too late and it's too, it's
	22	going to be too complex. And to give Liberty its day in
	23	Court, it would expand this case on a collateral issue that
$\overline{}$	24	I'm just not prepared to let it happen. So that's my
	25	ruling.

- 1 MR. BECKNER: I have the applications if that's
- 2 the problem.
- JUDGE SIPPEL: I understand that. I understand
- 4 that. But they've, you know, this was only given to them,
- 5 what are we talking about? Forty-eight hours ago?
- 6 MR. BEGLEITER: No, no. Twenty-four.
- 7 MR. SPITZER: Eighteen.
- 8 JUDGE SIPPEL: Well, we'll cut the difference at
- 9 20 to 24 hours ago. And certainly they were entitled to go
- 10 back and have each of these columns that you have examined
- 11 for accuracy and they also have the right to have at least
- 12 Mr. Nourain's, perhaps Mr. Nourain and Mr. Price and
- 13 Mr. Ontiveros take a look at this and see if there's
- anything that they have to say about it. Now, as I say,
- it's just too late in the game for that. I used the wrong
- 16 term. It's not too late. It's too late in this proceeding.
- 17 MR. BECKNER: Your Honor, I want to make it clear
- that the Wiley, Rein firm, in fact their lawyers were just
- 19 sitting here this morning, has been from the beginning
- 20 representing Liberty in this case along with the Constantine
- 21 firm and they had delivered to them yesterday a copy of this
- 22 notebook that had all the underlying applications as well as
- 23 the exhibits. So while it may be true that Mr. Spitzer and
- 24 Mr. Begleiter did not have the full load of material, their
 - 25 colleagues in Washington did.

- JUDGE SIPPEL: Well, you know, you've been with
- this case as long as I have and you know where the laboring
- oar is going as far as this in Court litigation is
- 4 concerned, number one. And number two, you've known for
- 5 over a month now how long that this hearing was going to
- 6 take place.
- 7 And you're relying on the Federal Rules of
- 8 Evidence 1006. And when you start going down that road,
- 9 things have got to be exchanged at the beginning, not 24, 48
- 10 hours beforehand. I mean, I'm just not going to put that
- 11 kind of a burden on Liberty for this kind of evidence.
- 12 I'm sorry, but that's my ruling. I think you did,
- 13 I don't understand did a good job putting it together and I
- think it's relevant, not withstanding what Mr. Spitzer said,
- I think it's relevant as to frame of mind, but not as to
- 16 violations.
- 17 So this case has just got to go forward. My
- ruling is I'm denying your motion. The motion is to move
- 19 your number 64 into evidence for the reasons I stated, it's
- 20 denied. Does that conclude, does that conclude your
- 21 preliminary matters and can we bring Mr. Barr in for his
- 22 testimony?
- 23 MR. BECKNER: Yes, it does conclude the
- 24 preliminary matters. Let me just if I might ask one
- 25 question so I understand. Am I going to be permitted to ask

- other witnesses the same kinds of questions that I asked
- 2 Ms. Richter this morning without objection from Liberty
- 3 under the Court's ruling?
- JUDGE SIPPEL: Well, whatever questions you were
- 5 asking Ms. Richter, you know, whatever recollection you can
- 6 get out of witnesses with respect to the Richter letter
- 7 that's relevant to the Richter letter, certainly.
- 8 MR. BECKNER: No, what I was meaning specifically
- 9 was is, for example, would I be permitted to ask Mr. Nourain
- whether or not he recalled commencing service at 812 Fifth
- 11 Avenue in February of '93 and signing an application in
- 12 April of '93 for that path just as an example?
- JUDGE SIPPEL: Well, you've got the testimony --
- this is not maybe, I don't mean to be, to be avoiding the
- 15 question. But Ms. Richter did testify to a specific
- 16 property that goes beyond this period of time that she
- actually wrote in on the inventory.
- MR. BECKNER: Right.
- 19 JUDGE SIPPEL: All I said was it 333 something?
- MR. BECKNER: Well, there was one in May I think
- 21 it was, yes.
- JUDGE SIPPEL: I've seen those numbers before.
- Now, of course, if she testified to it and you survived any
- 24 objections to go down that path with her, certainly you can
- go down that path with Mr. Nourain.

- 1 MR. BECKNER: All right.
- JUDGE SIPPEL: Because -- and the reason is, and
- 3 I'm going to be very clear about it, the reason is that
- 4 because she first of all, she has testified to it, it's the
- 5 Richter letter and the matters in the Richter letter that
- 6 are at issue here for these two days. And as a matter of
- 7 discretion, I find that that kind of questioning is not
- 8 going to delay anything and Liberty's going to have its day
- 9 in Court with respect to it. But that's a far cry different
- from 21 instances laid out here under 1,006 in your
- 11 Exhibit 64. That's my ruling.
- MR. BECKNER: Okay. I just -- I'm asking the
- 13 question now so as to avoid offending the presiding Judge by
- 14 mistake or accident while I'm questioning the witness and
- 15 that's why I'm seeking the clarification so I understand
- 16 what I'm permitted to do.
- JUDGE SIPPEL: Point well taken. Let's get
- 18 Mr. Barr in here.
- 19 MR. BECKNER: Yes, I'm ready for Mr. Barr.
- JUDGE SIPPEL: Let's off the record for a minute.
- 21 (Whereupon, a brief recess was taken.)
- JUDGE SIPPEL: Mr. Barr, I believe you're under
- oath, but just to be on the safe side I'm going to
- 24 administer the oath.
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